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November 30, 2005

Honorable Ron Jones, Chairman c/o Sharla Dillon, Docket & Records Manager Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: In Re: Petition of Cellco Partnership d/b/a Verizon Wireless for Arbitration Under the Telecommunications Act of 1996
TRA Consolidated Docket No. 03-00585

DELIVERY

WE OK VED

IR.A. DOCKET ROOF

Dear Chairman Jones

On behalf of the CMRS Providers, I am writing to inform the Panel in the above-captioned matter that the parties' recent efforts to resolve all, or some, of the remaining issues in this docket have been unsuccessful to date. Consistent with the Panel's directives at the September 7, 2005, Oral Argument Hearing and the Hearing Officer's October 25, 2005, Order Suspending Procedural Schedule, the CMRS Providers, as set forth in the enclosed filing, hereby notify the Panel of the same and request the Panel to consider the parties' respective September 28 and October 18, 2005, filings regarding cost methodologies on December 8, 2005

Enclosed please find an original and thirteen (13) copies of the CMRS Providers' Status Report and Request for Consideration of the Parties' Respective September 28 and October 18, 2005 Filings Regarding Cost Methodologies.

Also enclosed is an additional copy to be "File Stamped" for our records. All parties of record have been served. If you have any questions or require additional information, please let me know.

MJM kdn

Enclosures

cc. Parties of Record

Very truly yours

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BEFORE THE TENNESSEE REGULATORY AUTHORITY

Petition of:)	
)	
Cellco Partnership d/b/a Verizon)	Consolidated Docket
Wireless For Arbitration Under the)	No. 03-00585
Telecommunications Act of 1996)	
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CMRS PROVIDERS' STATUS REPORT AND REQUEST FOR CONSIDERATION OF THE PARTIES' RESPECTIVE SEPTEMBER 28 AND OCTOBER 18, 2005 FILINGS REGARDING COST METHODOLOGIES

Petitioners Cellco Partnership d/b/a Verizon Wireless; New Cingular Wireless PCS, LLC d/b/a Cingular Wireless; Sprint Spectrum L.P. d/b/a Sprint PCS; and T-Mobile USA, Inc., (collectively referred to herein as "the CMRS Providers") respectfully submit this Status Report and Request for Consideration of the Parties' Respective September 28 and October 18, 2005 Filings Regarding Cost Methodologies (the "Report and Request"). In support of this Report and Request, the CMRS Providers submit the following

I. BACKGROUND

Consistent with the January 12, 2005, deliberations, on May 27, 2005, the Hearing Officer in this matter issued, *sua sponte*, a Notice of Status Conference "for the purpose of

January 12, 2005 Transcript at 67 ("It is my intention to move as expeditiously as possible to establish permanent rates, because I think we have a duty to do that") (Comment of TRA Director/Panel Member)

discussing the process the Authority should undertake to determine a permanent rate for reciprocal compensation."² As part of the procedural schedule later adopted,³ a process was established – pursuant to a request by the Rural Coalition of Small LECs and Cooperatives (the "ICOs") – for the parties to either agree to an appropriate cost methodology or for the Authority to make a determination as to the appropriateness of any particular ICO proposal.⁴

Subsequent to the oral arguments presented before the panel on September 7, 2005, the parties were directed by the panel to submit additional filings regarding the appropriate TELRIC-compliant methodology to be utilized in the rate phase of this proceeding.⁵ As directed by the panel, the ICOs submitted the *Proposed Cost Study Methodology and Model Descriptions filed on Behalf of the Rural Coalition* on September 28, 2005, and the CMRS Providers submitted the *Response of CMRS Providers to Cost Study Methodologies and Model Descriptions Proposed by Rural Coalition* on October 18, 2005.

Notice of Status Conference, In Re Petition for Arbitration of Cellco Partnership d/b/a Verizon Wireless for Arbitration Under the Telecommunications Act of 1996, TRA Consolidated Docket No 03-00585 (May 27, 2005)

Order Establishing Procedural Schedule for Rate Phase of Proceeding, In Re Petition for Arbitration of Cellco Partnership d/b/a Verizon Wireless Under the Telecommunications Act of 1996, TRA Consolidated Docket No 03-00585 (Aug 24, 2005)

See e g, July 21, 2005 Transcript at 27 12 – 28 2, see also id at 30 1-3 ("MR RAMSEY If we have a dispute on what the methodology proposals are, we would ask you to resolve that[]") See also TRA Transcript of Proceedings, In Re Cellco Partnership d/b/a Verizon Wireless for Arbitration Under the Telecommunications Act of 1996, TRA Consolidated Docket No 03-00585 at 70 9-11 (Sept 7, 2005) (the "September 7, 2005 Transcript") ("And Mr Ramsay, let me remind you that this – you know, settling on a formula was your idea") (Comment of TRA Director/Panel Member), and September 7, 2005 Transcript at 77 6-9

September 7, 2005 Transcript at 81 The initial ICO submissions of August 11, 2005 were found to be inadequate and the ICOs were instructed to file more detailed submissions, which would allow both the Authority and the CMRS Providers to evaluate whether the proposed methodologies were TELRIC compliant September 7, 2005 Transcript at 45-50, 53 and 61

On October 25, 2005, the procedural schedule in this proceeding was suspended ⁶ The Order Suspending Procedural Schedule provided, in part, as follows.

If the parties are unable to reach agreement concerning the specific methodologies and formulas to be utilized by the Coalition members in performing their cost studies, the matter may be placed before the arbitration panel for determination of whether the Coalition members must employ a specific method or model ⁷

II. DISCUSSION

Since the July 21, 2005, Status Conference, if not before, absent an agreement among the parties, it has been apparent that the panel would have to resolve any disagreements over what does, and does not, constitute a TELRIC-compliant methodology/model.⁸ As has been previously observed by the panel on several occasions, the current cost methodology phase of this proceeding was not intended to delay the establishment of permanent rates in this proceeding.⁹

In an attempt to move this matter forward, and cognizant of the *Order Suspending Procedural Schedule*, the CMRS Providers and the ICOs recently engaged in efforts to resolve all, or some, of the outstanding issues. Though well-intended, to date those efforts have failed.

Order Suspending Procedural Schedule, In Re Cellco Partnership d/b/a Verizon Wireless for Arbitration Under the Telecommunications Act of 1996, TRA Consolidated Docket No 03-00585 at 3 (Oct 25, 2005)

⁷ *Id* at 3

See, e.g., supra n. 4 See also, July 21, 2005 Transcript at 29 23-30 4, and Notice of Hearing, In Re Cellco Partnership d/b/a Verizon Wireless for Arbitration Under the Telecommunications Act of 1996, TRA Consolidated Docket No 03-00585 (Sept. 1, 2005) ("The arbitration panel assigned to this docket, Chairman Ron Jones, Director Deborah Taylor Tate and Director Pat Miller, will hear arguments and testimony on any disputed issues arising from the parties' filings of August 11, 2005 and August 31, 2005 regarding the appropriate methodology for TELRIC cost studies")

See, e.g., September 7, 2005 Transcript at 82 ("Because the whole point of this was to save time, not make additional time[]") (Comment of TRA Director/Panel Member)

The differences between the parties' positions on TELRIC-compliant methodologies remain significant and the parties' respective September 28 and October 18, 2005, filings, coupled with the failed negotiation discussions, reflect the depth of those differences. As contemplated by the panel on September 7, 2005, timely consideration of the most recent filings of the parties regarding the ICOs' proposed methodologies will move this proceeding forward in an expeditious manner.¹⁰

As the Authority has properly recognized, the establishment of permanent rates in this proceeding is critical. Negotiations having failed to date, at this time there does not appear to be any need to continue the suspension of this matter.

II. PRAYER FOR RELIEF

For the foregoing reasons, and to avoid further delay, the CMRS Providers respectfully request that the arbitration panel consider the parties' respective September 28 and October 18, 2005, filings regarding cost methodologies and determine whether any of the ICOs' proposed methodologies/models are TELRIC-compliant on or before December 8, 2005.

See, e.g., September 7, 2005 Transcript at 55, 57, and 77-81 See also, e.g., September 7, 2005 Transcript at 81 (After the parties submit the second round of methodological filings, "then we'll deliberate[]") (Comment of TRA Director/Panel Member), see also id at 72 17-19 ("[T]he long and short of it is y'all are going to disagree on this and we're going to have to decide") (Comment of TRA Director and panel member)

See, e.g., January 12, 2005 Transcript at 67 ("I think it's incumbent on us to make sure that we establish a permanent price in these matters as expeditiously as we possibly can I am going to push it to a conclusion as quickly as I can") (Comment of TRA Director/Panel Member) See also, e.g., CMRS Providers' Status Report and Request Regarding Post-Arbitration Matters, In Re Cellco Partnership d/b/a Verizon Wireless for Arbitration Under the Telecommunications Act of 1996, TRA Consolidated Docket No 03-00585 at 2 (June 1, 2005) ("It is well known that the Parties to this collective negotiation and arbitration have been operating without interconnection agreements since May of 2003, when these negotiations formally began Under the circumstances, the continued absence of interconnection agreements materially interferes with both the legitimate business needs of the CMRS Providers and their ability to serve Tennessee's consumers")

Respectfully submitted this 30th day of November, 2005.

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CERTIFICATE OF SERVICE

I hereby certify that on _______, 2005, a true and correct copy of the foregoing has been served on the parties of record, via the method indicated.

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